The opinion in support of the decision being entered today is not binding precedent of the Board.

Paper 81

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

RANDOLPH NOELLE

Junior Party,
(Application 08/742,480),

v.

RICHARD J. ARMITAGE,
WILLIAM C. FANSLOW, and MELANIE K. SPRIGGS

Senior Party,
(Application 09/322,021).

Patent Interference No. 104,724

NAGUMO, Administrative Patent Judge.

ORDER FOR TELEPHONE CONFERENCE TO SET TIMES FOR PRIORITY PHASE

A. Findings of Fact

Procedural Background

1. On April 10, 2003, Noelle filed a timely response to the ORDER TO SHOW CAUSE WHY NOELLE'S REQUEST TO SET TESTIMONY PERIOD FOR PRIORITY PHASE WAS NOT TIMELY FILED (Paper 78, "Response").

2. Noelle argues that the Judgment issued October 28, 2002 (Paper 63) and the reconsideration Opinion issued on February 21, 2003, are not "final decisions" that terminate the interference. (Response at 7-8.)

a. More particularly, Noelle argues that in the absence of a judgment that there is no interference-in-fact, or that the interference was improperly declared under 35 U.S.C. § 135(b), the decision that Noelle's involved claims are unpatentable is not an award of priority that awards judgment as to all counts. (*Id.* at 8-9.)

3. Noelle appears to argue further that it was not given adequate notice that the Judgment was intended to be a final decision terminating the interference. (*Id.* at 9-10.)

4. Noelle argues further that it is entitled to prove prior invention under 35 U.S.C. § 135(a) and allegedly controlling. (*Id.* at 11-13.)

5. Noelle concludes that its request for a testimony period is timely.

B. Discussion

We do not find compelling Noelle's arguments that it is entitled to a priority phase even though it is not entitled to any claims that correspond to the count in this interference by reason of lack of an enabling disclosure. The statute invests considerable discretion in the Director to declare interferences:

"Whenever an application is made for a patent which, *in the opinion* of the Director, would interfere with any pending application, or with any unexpired patent, an interference *may* be declared . . . ". 35 U.S.C. § 135(a) (emphasis added). Moreover, the cases cited by Noelle, while requiring adjudication by the Board under certain circumstances, are not on point to the present situation.

In *In re Gartside*, 203 F.3d 1305, 53 USPQ2d 1769 (Fed. Cir. 2000), the Federal Circuit held that the Board properly retained jurisdiction over the interference and decided the patentability of Gartsides's claims after Forgac, the junior party, had withdrawn from the contest. The parties had already fully briefed the Administrative Patent Judge's *sua sponte* preliminary motion that certain of Gartsides's claims were unpatentable over prior art. Whether a priority phase was required was not an issue in the case.

In *Guinn v. Kopf*, 96 F.3d 1419, 40 USPQ2d 1157 (Fed. Cir. 1996), the Federal Circuit held that a statutory disclaimer of Guinn's sole claim involved in the interference did not divest the Board of jurisdiction over the interference. Thus, the Board had the authority to enter judgment against Guinn as a result of Guinn's disclaimer. The issue of a priority phase was not involved.

In *Hyatt v. Boone*, 146 F.3d 1348, 47 USPQ2d 1128 (Fed. Cir. 1998), the priority issue had been fully developed, but Boone requested conversion of its application into a Statutory Invention Registration. The Board held, incorrectly, that it could not adjudge Boone to be the prior inventor without also holding that Boone was entitled to a patent. The court explained that 35 U.S.C. § 157 preserved Boone's right to be awarded priority in an interference proceeding.

In *Schulze v. Green*, 136 F.3d 786, 45 USPQ2d 1769 (Fed. Cir. 1998), the court held that Schulze's motion to correct the inventorship of its involved application, even though defective, had fairly raised the inventorship issue in the interference, such that it should be decided in that *inter partes* proceeding. The court explained that Green had an interest in seeing that Schulze was not entitled to a patent on the subject matter of the Count in the interference based on patentability, even if Green could not prevail on priority. Enablement of Green's claims and whether a priority phase should proceed were not issues in the case.

In *Rexam Indus. Corp. v. Eastman Kodak Co.*, 182 F.3d 1366, 51 USPQ2d 1457 (Fed. Cir. 1999), the court held that an adverse judgment as to priority in one interference did not prevent Kodak from defending a favorable judgment as to priority in a second interference against a different party. The court did not

address the present issue, which involves the propriety of proceeding with a priority phase when one party does not have any enabled claims that correspond to the Count.

In *Wu v. Wang*, 129 F.3d 1237, 44 USPQ2d 1641 (Fed. Cir. 1997), junior party Wang had conceded that it was not entitled to a patent on the subject matter of the count in view of prior art to Wu. The Federal Circuit held that Wang remained an "adverse party" who could participate in an appeal under 35 U.S.C. § 141 limited to the patentability of Wu's claims. Wang's "interest" in seeing that Wu was not entitled to the involved claims, which it had protected throughout protracted litigation before the board, was not extinguished on termination of the interference. Neither the propriety of the interference due to lack of enablement nor the denial of a priority phase were at issue.

Authority not cited by Noelle, although also not precisely on point, indicates considerable discretion on the conduct of an interference proceeding. The case *Brenner v. Manson*, 383 U.S. 519 (1966), arose out of an unsuccessful attempt by Manson to provoke an interference with a patent. The Court cited with approval CCPA cases and federal regulations requiring the presence of patentable claims in the application as a prerequisite to an interference. 383 U.S. at 528 n.12. The *Manson* Court held that Manson's claims lacked utility under 35 U.S.C. § 101. Consequently, the refusal of the Commissioner to

declare an interference involving Manson's application was not improper. (*Id.*)

In *Berman v. Housey*, 291 F.3d 1345, 63 USPQ2d 1023 (Fed. Cir. 2002), the Federal Circuit rejected Berman's contention that Federal Circuit precedent compelled the Board to reach Berman's motions that Housey's claims were unpatentable. The court commended the rule that authorizes the Board to take of motions for decision in any order that will secure the just, speedy, and inexpensive determination of the interference, while holding that 35 U.S.C. § 135(b), as a statute of repose, compelled the Board to take up the timeliness of Berman's claims in the face of Housey's involved patent claims as a threshold issue.

Noelle has not cited, and we are not aware of, any Federal Circuit ruling that lack of enablement is (or is not) essentially a threshold issue equivalent to lack of an adequate written description or a 135(b) bar to an interference. However, we are not persuaded that a lack of enablement is of the same stature as lack of patentability over prior art, which clearly permits a party to contest priority in an interference. Given the posture of this case, we need not resolve the issue here.

Noelle's argument that it was not accorded fair notice that the interference was terminated is not without merit, although neither the merits panel nor senior party Armitage, had any doubts on the matter. Accordingly, on the facts of this

proceeding, we exercise our discretion and order that the parties shall enter a priority phase in this interference.

Armitage's views presented in Paper 76 ("ARMITAGE'S OPPOSITION TO NOELLE'S REQUEST TO SET TESTIMONY PERIOD"), have been considered, but we are not persuaded that we are without discretion in this matter. Nonetheless, the parties should be prepared to discuss during the conference call whether the interference needs to be redeclared (e.g., with only Armitage's claims defining interfering subject matter) and new preliminary statements filed.

ORDER

In consideration of the foregoing facts and discussion, it is:

ORDERED that a telephone conference shall be held on **April 23, 2003**, at **3:00 p.m.** to discuss:

(1) whether the interference should be redeclared;

(2) setting times for taking action in the priority phase in this interference;

FURTHER ORDERED that the Board shall initiate the call;

FURTHER ORDERED that Armitage is authorized to file a paper no later than **April 22, 2003**, to make of record any arguments it

wishes to raise in addition to those it filed in its opposition to Noelle's Request for a Testimony Period;

FURTHER ORDERED that if there is a settlement agreement, attention is directed to 35 U.S.C. § 135(c) and 37 CFR § 1.661.

MARK NAGUMO
Administrative Patent Judge

cc (via facsimile and first class mail):

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